extendicare ltd.

annual report 1976

financial highlights

extendicare ltd.

	1976	1975	1974	1973	1972
Revenues					
From Skilled Nursing Centres	**$27,152,994**	$22,893,296	$17,740,024	$11,192,215	$ 5,677,280
From Medical, Surgical, Pharmaceutical Supplies and Equipment	**21,346,099**	22,679,600	13,192,166		
From Diagnostic Centres and others	**5,393,957**	3,386,475	3,407,829	2,900,319	2,238,353
Gross Revenue	**53,893,050**	48,959,371	34,340,019	14,092,534	7,915,633
Earnings before the undernoted	**4,454,204**	3,776,313	2,613,931	1,782,788	376,889
Provision for Income Taxes	**2,179,535**	1,978,117	1,295,903	837,808	171,233
Earnings before minority interest and extraordinary items	**2,274,669**	1,798,196	1,318,028	944,980	205,656
Minority Interest	**25,864**	(102,357)			
Earnings before extraordinary items	**2,248,805**	1,900,553	1,318,028	944,980	205,656
Per share	**1.12**	.96	.80	.59	.13
Net earnings after extraordinary items	**2,484,468**	1,911,329	1,559,090	1,165,980	396,630
Per share	**1.24**	.96	.94	.72	.25
Total Assets	**$46,523,212**	$45,980,175	$41,933,178	$28,741,679	$22,613,422
Operational Nursing Centre beds at August 31	**3,784**	3,912	3,412	2,684	1,824

Note: The per share figures have been recalculated to reflect the 2 for 1 stock split of May 11, 1973.

chairman's message

To our shareholders:

Fiscal 1976 marked a year of many major accomplishments by Extendicare. On behalf of your directors, I am pleased to report that the year ending August 31, 1976, was one of very satisfactory financial performance and continued leadership in providing better health care for Canadians.

Despite difficult economic conditions faced by your Company and the country, our success was achieved through the combined efforts of effective management, highly-motivated staff, and the cooperation of socially-responsible governments that are committed to the provision of the best basic care for their citizens. Extendicare believes that the mixture of professional expertise from the public and private sectors has been and will continue to be beneficial because health care is a matter of public concern and gains strength from public scrutiny.

In attaining our mutual objective of high-quality, economical health care, there is the recognition that government controls set guidelines which affect costs and standards, but only effective management can actually control the costs and achieve the standards. As the largest Canadian-owned public company in the health care field, Extendicare accepts the responsibility of our on-going role in helping develop the partnership between government and private enterprise, a partnership that is serving Canadians well and that is regarded favourably by knowledgeable observers in the U.S. and elsewhere.

Extendicare enjoyed its fifth straight year of growth in earnings in fiscal 1976. Your Company had a consolidated revenue of $53,893,050, compared with $48,959,371 for the previous 12-month period. Net earnings from continuing operations were $2,248,805 or $1.12 per share, an increase from fiscal 1975 net earnings of $1,900,553 or $.96 per share.

The Skilled Nursing Centre Division expanded with the completion in April, 1976, of its 60-bed centre in Haliburton, Ontario. This centre was designed, developed and is owned and operated by Extendicare. Construction has also commenced on another Company-owned project, a 60-bed centre in Port Stanley, Ontario, which will be completed late in 1977.

At fiscal year end, Extendicare operated 23 nursing centres, 20 of which are owned or leased, and three of which, including a chronic care hospital, are managed under contract. Two additional centres in the United States are now being managed under contract by Extendicare.

The Diagnostic Services Division, which operates clinical laboratories in Metropolitan Toronto, continues to increase its contribution to your Company's revenues, and has earned a growing reputation in the medical community for reliable rapid testing and reporting.

Hartz Standard Ltd. did not reach the potential we had hoped for during the year under review. The company faced, as did the medical and surgical supply industry generally, a difficult year where purchasing activity was relatively slow due to severely restrained institutional budgets. Hartz Standard is continuing its reorganization, to develop the company into a more effective sales, marketing and management force. We anticipate that performance will improve during the course of fiscal 1977 as a result of improving market conditions and a more dynamic approach introduced into the company through top management changes.

The achievement of Extendicare in providing high quality health care has been recognized by many people in many ways. A gratifying result has been in requests to provide consulting services to health care programs. During fiscal 1976, your Company completed a major study for a provincial government which examined nursing home capital and operating costs, as well as a study of Canada's largest retirement and nursing home complex.

Growing acceptance by private groups and governments of Extendicare's contract management services was also demonstrated in negotiations conducted throughout fiscal 1976. These have resulted in your Company's fourth management contract and its first activity in the United States nursing home field. In October 1976, an agreement was signed with Tendercare Nursing Homes (Indiana) Inc. to manage a 123-bed and a 103-bed nursing centre in Indiana. In addition, we are involved in continuing discussions with a provincial government and others regarding management of several nursing homes.

The complexities of society in the 70's challenge the validity of single-unit health care facilities. They are a major factor in obstructing effective management and effective area-wide planning, two components necessary for a viable integrated and balanced health-care delivery system. There has been a developing recognition that the problems of the country's health care system are not those of ownership but those of management. The problem of management can best be handled by the multi-unit approach in which professional service-oriented managers can provide the diversity of expertise and systems that a single-unit facility and its patients would not otherwise have access to nor be able to afford.

An important acquisition for your Company was completed in March, 1976, with the purchase of 80% of the common stock of United Health Maintenance, Inc., of Baltimore, Maryland. UHM operates a fleet of mobile, multi-phasic screening laboratories that provide a wide range of diagnostic testing on-site, at work, school, recreation, shopping and community centres. We are pleased with the UHM acquisition because of its contribution to preventive health care and because of the corporate earnings it is generating for your Company. UHM represents our first involvement in the American health care delivery system, followed by the Tendercare contract, and we are continuing to investigate further areas of involvement in the United States.

It is the dedication and skill of our staff, together with cooperation of local communities and support from our board of directors and shareholders, that maintains our efforts successfully. Such competence and concern by all those involved with health care delivery will be necessary to overcome the challenges facing the health systems in North America. At Extendicare, we look to the future, confident in the continuation of our growth in expertise and earnings, and in the quality of the health services we deliver throughout North America.

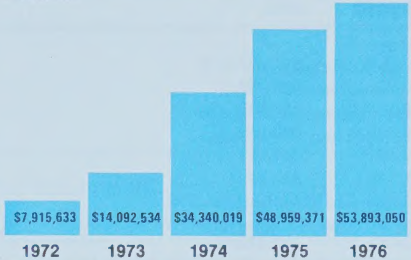
H. L. Lunergan

January 17, 1977

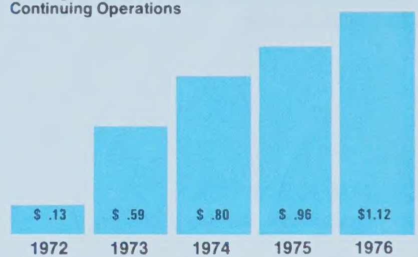
5-year financial and statistical highlights

extendicare ltd.

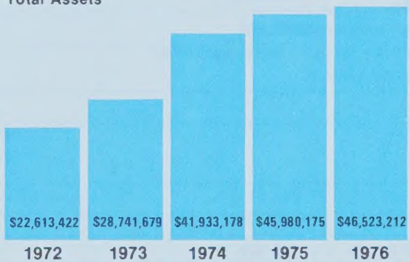
Revenues



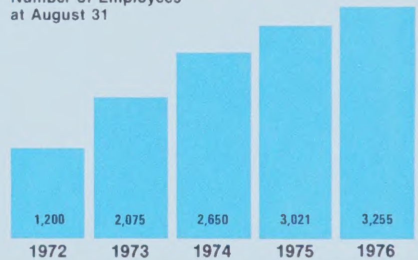
Earnings Per Share from Continuing Operations



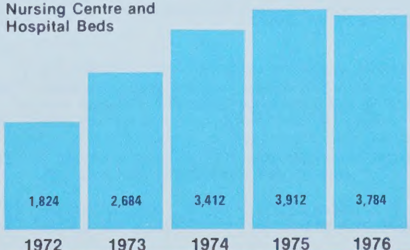
Total Assets



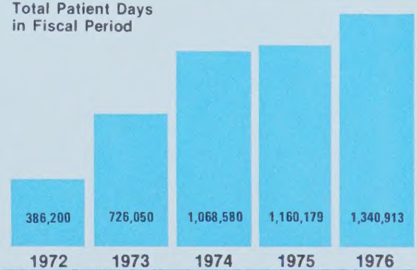
Number of Employees at August 31



Number of Operational Skilled Nursing Centre and Hospital Beds



Total Patient Days in Fiscal Period



consolidated balance sheet

as at August 31, 1976

extendicare ltd.

(Incorporated under the laws of Canada)

Assets	1976	1975
Current		
Accounts receivable	**$ 5,691,301**	$ 5,720,377
Inventories (note 3)	**5,025,630**	5,018,038
Prepaid expenses and deposits	**463,783**	438,653
Trust funds held for residents	**292,952**	217,420
	11,473,666	11,394,488
Property and Equipment (note 4)	**32,674,018**	32,900,994
Less accumulated depreciation	**4,040,485**	3,107,219
	28,633,533	29,793,775
Other		
Other assets (note 5)	**1,283,200**	563,185
Deferred charges, less amortization	**303,500**	280,792
Goodwill (note 6)	**4,829,313**	3,947,935
	6,416,013	4,791,912
	$46,523,212	$45,980,175

Approved by the Board

H. L. Livergant

Director

MacKay

Director

Liabilities

	1976	1975
Current		
Bank indebtedness (note 7)	**$ 3,326,292**	$ 3,538,018
Accounts payable and accrued liabilities	**3,881,799**	3,069,098
Income taxes payable	**359,472**	1,414,807
Principal due within one year on non-current liabilities	**2,002,683**	2,258,504
Deferred income taxes	**140,000**	140,000
Trust funds held for residents	**292,952**	217,420
	10,003,198	10,637,847
Non-current liabilities (note 7)	**22,558,741**	24,039,879
Deferred income taxes	**2,380,723**	2,044,009
Minority interest	**156,165**	

Shareholders' Equity

Capital stock (note 8)		
Authorized 4,000,000 Common shares without nominal or par value 500,000 Preferred shares of the par value of $10 each		
Issued and fully paid 2,025,365 Common shares (1975 — 1,998,090 common shares)	**5,718,470**	5,593,445
Retained earnings (note 8)	**5,705,915**	3,664,995
	11,424,385	9,258,440
	$46,523,212	$45,980,175

Commitments and contingencies (notes 2, 11 and 12)

Auditors' Report

To the Shareholders of Extendicare Ltd.

We have examined the consolidated balance sheet of Extendicare Ltd. as at August 31, 1976 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at August 31, 1976 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
October 22, 1976

Thorne Riddell & Co.
Chartered Accountants

consolidated statement of earnings

Year ended August 31, 1976

extendicare ltd.

	1976	1975
Revenue		
Skilled nursing centres	**$27,152,994**	$22,893,296
Medical, surgical, pharmaceutical supplies and equipment	**21,346,099**	22,679,600
Diagnostic centres and other	**5,393,957**	3,386,475
	53,893,050	48,959,371
Costs and expenses		
Operating	**43,565,743**	40,284,833
Administrative and general	**2,339,176**	1,621,342
Interest on non-current liabilities	**2,409,484**	2,279,112
Depreciation	**970,700**	877,730
Amortization of deferred charges and goodwill	**153,743**	120,041
	49,438,846	45,183,058
Earnings before the undernoted	**4,454,204**	3,776,313
Income taxes		
Current	**2,030,934**	1,183,420
Deferred	**148,601**	794,697
	2,179,535	1,978,117
Earnings before minority interest and extraordinary items	**2,274,669**	1,798,196
Minority interest	**25,864**	(102,357)
Earnings before extraordinary items	**2,248,805**	1,900,553
Extraordinary items		
Net gain on sale of properties and other assets less income taxes of $168,125 (1975 — $32,840) and minority interest of $334,234 (1975 — Nil)	**235,663**	10,776
Net earnings	**$ 2,484,468**	$ 1,911,329
Earnings per share (note 9)		
Before extraordinary items	**$1.12**	$.96
After extraordinary items	**$1.24**	$.96

consolidated statement of retained earnings

Year ended August 31, 1976

	1976	1975
Balance at beginning of year	**$3,664,995**	$2,112,771
Net earnings	**2,484,468**	1,911,329
	6,149,463	4,024,100
Dividends	**443,548**	359,105
Balance at end of year	**$5,705,915**	$3,664,995

consolidated statement of changes in financial position

Year ended August 31, 1976

	1976	1975
Working capital derived from		
Operations	**$3,547,713**	$3,693,021
Proceeds from sale of businesses and other assets, net of mortgages receivable taken back and working capital sold	**2,173,950**	610,485
Non-current liabilities assumed	**1,401,698**	2,373,204
Issue of shares		
For cash on exercise of stock options and warrants	**125,025**	5,062
On conversion of notes		55,000
	7,248,386	6,736,772
Working capital applied to		
Additions to property and equipment	**1,483,706**	1,651,281
Acquisition of businesses, plus working capital deficiency in 1976 of $87,187	**544,131**	1,586,464
Dividends	**443,548**	359,105
Reduction in non-current liabilities	**3,614,229**	3,213,999
Purchase of goodwill, being adjustment of prior years' acquisitions	**82,056**	160,687
Other items	**366,889**	256,893
	6,534,559	7,228,429
Increase [decrease] in working capital	**713,827**	(491,657)
Working capital at beginning of year	**756,641**	1,248,298
Working capital at end of year	**$1,470,468**	$ 756,641

notes to the consolidated financial statements

Year ended August 31, 1976

extendicare ltd.

1. Summary of accounting policies

The major accounting policies of Extendicare Ltd. and subsidiary companies are set out below. These policies are in accordance with generally accepted accounting principles and have been consistently applied.

[a] Principles of consolidation

The consolidated financial statements include the accounts of all subsidiary companies the more substantial operating subsidiaries being Hartz Standard Ltd. (100% owned) and United Health Maintenance, Inc. (80% owned).

Earnings from businesses purchased or sold are included from or to the effective dates of their purchase or sale.

[b] Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost is defined as laid down cost. Net realizable value is the selling price of the product less provision for normal selling costs.

[c] Property and equipment

Property and equipment is stated at historical cost. Depreciation is provided primarily on the straight line method and is being charged to earnings based on the following estimated life expectancies:

Buildings	— 40 years
Furniture and equipment	— varying periods not exceeding 15 years
Leasehold improvements	— over the term of the applicable leases.

[d] Deferred charges

It is the policy of the Company to defer revenues and operating expenses of new nursing centres until such time as they are deemed operational. A nursing centre is deemed to be operational in the month during which revenues equal or exceed expenses or one year from the date of accepting the first resident, whichever first occurs. Net amounts deferred are then charged to earnings over a five year period on a straight line basis.

Other costs deferred relate substantially to market development. These amounts will be amortized over varying periods ranging from three to five years.

[e] Goodwill

Goodwill arises from the excess of purchase price paid for businesses over the fair value of assets acquired at the dates of acquisition. It may arise either through the purchase of assets or shares of a business.

Goodwill acquired subsequent to April 1, 1974 is amortized to earnings in equal amounts over forty years. Goodwill acquired prior to that date is carried in the accounts at cost without amortization.

[f] Income taxes

Income taxes charged in the consolidated statement of earnings represent both the portion currently payable and the portion which is deferred. The deferment of income taxes results from claiming depreciation and other items for tax purposes in amounts which exceed those recorded in the accounts.

[g] Comparative figures

The 1975 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1976.

2. Acquisition and disposals

Effective November 1, 1975, the Company acquired 80% of the outstanding shares of United Health Maintenance, Inc. which carries on multiphasic health testing. The transaction has been accounted for by the purchase method. Under certain circumstances the Company may be required to acquire, at a price based on a multiple of earnings, a portion or all of the remaining 20% interest in the shares of United Health Maintenance, Inc. in 1978 and 1980 respectively. Details of this acquisition are as follows:

Net assets acquired at book value (being fair value)		
Current assets	$ 345,362	
Equipment	358,141	
Deferred charges	16,399	$ 719,902
Current liabilities	432,549	
Non-current liabilities	21,393	
Deferred income taxes	38,950	492,892
		227,010
Minority interest		45,402
		181,608
Excess of purchase price of shares over value of net assets acquired		985,336
		$1,166,944

Consideration given	
Cash	$ 456,944
Notes payable	710,000
	$1,166,944

During the year the Company sold substantially all of the assets of its Montreal nursing facility for cash, a second mortgage receivable, plus the assumption by the purchaser of an existing first mortgage. In addition, the company sold substantially all of the assets of its Weston radiological facility for cash and a note receivable.

3. Inventories

	1976	1975
Resale merchandise	**$4,404,787**	$4,454,801
Supplies	**620,843**	563,237
	$5,025,630	$5,018,038

4. Property and equipment

	1976		1975	
	Cost	**Accumulated Depreciation**	Cost	Accumulated Depreciation
Option and deposit on property	**$ 214,800**		$ 44,500	
Buildings	**23,949,251**	**$2,456,950**	24,489,728	$1,949,167
Furniture and equipment	**5,308,346**	**1,475,272**	4,601,411	1,074,116
Leasehold improvements	**320,738**	**108,263**	317,153	83,936
Construction in progress	**199,793**		376,302	
	29,992,928	**4,040,485**	29,829,094	3,107,219
Land	**2,681,090**		3,071,900	
	$32,674,018	**$4,040,485**	$32,900,994	$3,107,219

5. Other assets

	1976	1975
Mortgages receivable	**$ 926,039**	$ 79,224
Loans to officers	**225,000**	
Receivable from trustees for the account of employees in the restricted share purchase plan	**120,711**	215,273
Minority interest, partly secured by notes receivable		245,275
Sundry, at cost	**11,450**	23,413
	$1,283,200	$ 563,185

6. Goodwill

	1976	1975
Purchased goodwill (purchase of assets)	**$2,622,055**	$2,544,840
Excess of purchase price of shares of certain subsidiary companies over fair value of assets acquired (purchase of shares)	**2,207,258**	1,403,095
	$4,829,313	$3,947,935

7. Bank indebtedness and non-current liabilities

All bank indebtedness is secured by assignment of accounts receivable, shares in subsidiary companies, and a debenture creating a floating charge on assets. The weighted average annual interest rate of all non-current liabilities is approximately 9.8%.

	1976	1975
The Company:		
First mortgages, 7⅜% to 11¼% maturing through to 2007	**$17,263,392**	$16,852,296
Second mortgages, 9% to 12% maturing through to 1983	**1,857,067**	1,920,636
Convertible notes, 5½% to 7% maturing through to 1980	**589,351**	738,700
8½% Sinking fund debentures, due 1984	**2,391,000**	2,690,000
Bank demand term loan at 1% above prime	**608,000**	944,000
Promissory notes, 7% to 9% maturing through to 1981	**327,451**	955,608
Subsidiaries:		
First mortgages, 11¾%, maturing 1981 (1975 — 7% to 10⅝% maturing through to 2002)	**719,155**	1,859,474
Second mortgages, 8% to 9% maturing through to 1976		118,075
Notes payable, 6% to 10% maturing through to 1980 (1975 — 10% maturing 1976)	**779,648**	184,440
Notes payable to minority shareholder, non-interest bearing	**26,360**	35,154
	24,561,424	26,298,383
Less principal due within one year and included in current liabilities	**2,002,683**	2,258,504
	$22,558,741	$24,039,879

Principal payments on non-current liabilities due within the next five fiscal years after giving effect to renewal privileges are as follows:

1977	$2,002,683
1978	1,491,063
1979	1,195,927
1980	1,111,849
1981	2,726,625

Conversion privileges and rights relating to noncurrent liabilities are set out in note 8.

8. Shareholders' Equity

During the year 27,275 common shares were issued for $125,025 cash on exercise of stock options and warrants.

Restrictions under the trust indenture securing the 8½% sinking fund debentures prohibit the payment of dividends which would reduce shareholders' equity, as defined in the trust indenture, below $3,000,000.

The Company has 342,780 common shares reserved for conversion of convertible notes and for issue upon exercise of outstanding warrants at prices ranging from $6.25 to $7.50 per common share to May 15, 1979.

In addition 100,000 common shares were originally reserved for issuance to officers and key employees under the Company's Employee Stock Option Plan, of which 21,875 shares have been exercised to August 31, 1976. At August 31, 1976 33,550 shares were optioned to officers and 16,500 shares to other employees at prices ranging from $3.75 to $7.00 with varying expiry dates to April 1981.

9. Earnings per common share

Earnings per common share have been calculated on the weighted average number of shares outstanding during the year.

Fully diluted earnings per share are $.99 before extraordinary items and $1.09 after extraordinary items for the year ended August 31, 1976. Fully diluted earnings per share have been calculated on the basis of the following assumptions:

[a] the conversion at the beginning of the year of convertible notes resulting in an increase of earnings of $20,400 after tax; and

[b] the exercise at the beginning of the year of all rights and options with imputed earnings, after tax, amounting to $119,600 on cash received which would have been used to retire certain mortgages and a portion of bank indebtedness.

10. Other statutory information

	1976	1975
Number of directors	**11**	9
Aggregate remuneration of directors as directors	**$ 13,500**	$ 10,500
Number of officers	**12**	10
Aggregate remuneration of officers as officers	**$411,973**	$361,414
Number of officers who were also directors	**3**	3

11. Long term leases

The Company has lease commitments with terms expiring up to 1998, exclusive of renewals. Maximum rentals to be charged to earnings are as follows for each of the periods shown:

For the year:	1977	$ 1,065,658
	1978	963,273
	1979	875,989
	1980	790,414
	1981	755,235
For the following:		
	1982 to 1986	3,138,865
	1987 to 1991	2,684,600
	1992 to 1996	1,308,500
	1997 to 1998	519,600
		$12,102,134

During the year ended August 31, 1976 rent expense of $981,997 has been charged to operations.

12. Contingent liabilities and subsequent event

[a] The Company is liable as an original guarantor in respect of a first mortgage on the nursing home sold by a subsidiary during the year. The principal balance outstanding under this mortgage at August 31, 1976 was approximately $1,560,000.

[b] As a result of its purchase of particular diagnostic facilities in 1971 the Company has assumed a contingent liability under a mortgage indemnity agreement of up to $100,000.

[c] In connection with an agreement to manage two nursing homes in the State of Indiana in the United States, the Company agreed on October 15, 1976, to guarantee the obligations of the purchaser of the two homes, and its parent corporation, in respect of both a first mortgage in the amount of approximately $338,000 and a long term lease requiring minimum annual payments of approximately $75,000 and terminating in 1999. The management agreement, at the option of the Company, is to remain in effect until it has no further obligation under either the mortgage or the lease.

13. Regulation and anti-inflation legislation

The fees charged by the Company for its nursing home facilities and diagnostic services are subject to the regulated rate structures determined by the respective provincial authorities. Such regulation has been and is provided by the establishment of maximum rates for the industry rather than for individual entities within the industry.

Effective October 14, 1975, the Company also became subject to the Anti-Inflation Act which legislation provides for restraint of prices, profit margins, employee compensation and dividends.

This Act provides that if a body, pursuant to any other Act or law, establishes or approves prices or profit margins of a supplier or the basis on which prices charged by a supplier are calculated, then that regulatory body should apply such of the Anti-Inflation Guidelines as are applicable when establishing or approving rates. In addition, for Saskatchewan regulated operations, the rates established in the regulatory process are controlled by the Saskatchewan Public Sector Price and Compensation Board. In the above circumstances, the Federal Anti-Inflation Board does not monitor and control these prices and control these prices and profit margins.

The effects of incorporating the anti-inflation legislation into the above noted regulatory environment are not completely clear. However, it appears that the anti-inflation programmes will be effectively administered and monitored by the respective provincial authorities as part of the overall rate making process for the industry.

The prices and profit margins of the other operations of the companies, other than operations in the United States, are subject to Anti-Inflation Board control.

The current dividend policy established by the Company is within the restrictions imposed by the present anti-inflation legislation.

extendicare ltd.

one yonge street, toronto, ontario M5E 1E5

Shareholders are invited to attend the company's Annual Meeting at 10 a.m., February 21, 1977, in the Library Room of the Royal York Hotel, Toronto.

Board of Directors

*Harold L. Livergant
Chairman of the Board and Chief Executive Officer

John MacKay
President

*James A. Bradshaw
Solicitor
Campbell, Godfrey & Lewtas

*H. Hoyle Campbell, M.D.
Surgeon

*William E. Hewitt
Vice-President, Finance
Allpak Products Limited

Eleanor McKinnon

*Derril G. McLeod
Solicitor
Pedersen, Norman, McLeod & Todd

Carole Pulver

J. Russell Scott, M.D.
Physician

Martin D. Shyba
Director and Executive Consultant

Jean-Paul Tessier
President
BGL Construction Ltd.

*Executive Committee Member

Officers

Harold L. Livergant
Chairman of the Board

John MacKay
President

J. Wesley Carter
Senior Vice-President Finance and Treasurer

John Carter
Senior Vice-President, Operations

Richard A. Gardner
Senior Vice-President, Corporate Services

Jacob Birbrager
Vice-President, Development

William T. Gala
Vice-President, Operations

Don Schurman
Vice-President, Operations

R.A. Watt
Vice-President, Corporate Development

Steve Currie
Controller

Benjamin J. Hutzel
Secretary

Medical and Technical Advisory Board

J.B. Campbell, B.Sc., Ph.D.

R. E. Fulton, B.A., M.Sc.

D. E. Hunt, M.D., F.C.F.P.

W. Leers, M.D., L.M.C.C., Dip. Bact.

L. W. MacPherson, M.R.C.V.S., D.V.S.M., Ph.D.

R.K. Murray, M.B., Ch.B., M.S., Ph.D.

P.K. O'Brien, M.B., F.R.C.P.(C), M.R.C.(PATH)

A. Sesler, M.P.P.H., M.Sc.

E.C. Shortliffe, M.D., F.A.C.H.A.

C. S. Tam, M.B., F.R.C.P.

F. O. Wishart, M.D., D.P.H., C.R.C.P.

J. S. Wootliff, F.R.C.P.(C), M.B., M.R.C.(PATH)

Transfer Agents for Common Shares

Montreal Trust Company

Trustee for Debentures

Canada Permanent Trust Company

Auditors

Thorne Riddell & Co.

Legal Counsel

Campbell, Godfrey & Lewtas

Bankers

The Toronto-Dominion Bank
Canadian Imperial Bank of Commerce